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President counts on ANWR money

BUDGET: Bush's plan assumes there will be billions of dollars in drilling revenue.

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WASHINGTON -- The 2006 budget released by the White House on Monday once again assumes that oil companies will be allowed to drill in the Arctic National Wildlife Refuge, banking that the companies will contribute \$1.2 billion to both the national and the state treasuries in two years.

As it has every year President Bush has been in office, the budget counts on Congress to open the refuge's coastal plan as part of the administration's plan to reduce the nation's dependence on foreign oil. ANWR drilling has so far failed to get through the Senate during the Bush presidency.

"The budget is the right place to present the entirety of the president's policies," budget director Joshua Bolten said in response to a question at a noon media briefing in the Executive Office Building. "It does reflect the increased proposed revenues that we would get from (ANWR), although that would be pretty far out in the budget window, I expect, because of how long it would take to come on line."

ANWR wouldn't even be a drop in the bucket of the \$2.3 trillion budget for 2006, since no revenues are foreseen until the next fiscal year. Oil lease payments for 2007 were projected at \$2.4 billion, split 50-50 between Alaska and the federal government.

The next three years anticipate almost no ANWR revenue, presumably because it would only be a time of exploration. The budget revenue projections don't look beyond 2010.

On the expenses side, the president's proposed budget would cut domestic spending except for defense and security. In Alaska, for instance, the administration proposal would sharply reduce spending for water and sewer projects in Bush villages, cutting a 2005 \$25 million Agriculture Department program in half and a \$45 million Environmental Protection Agency program by about two-thirds.

Only last week, at a hearing on tsunami relief efforts at the Senate Commerce Committee, Senate Majority Leader Bill Frist said he planned to make clean water "one of our major foreign policy objectives" because of a "world crisis" in which 1.2 billion people lack clean drinking water and 2.4 billion don't have adequate sanitation facilities.

A spokeswoman for Sen. Lisa Murkowski, R-Alaska, said despite gains during the past four years, about 30 percent of Alaska Native homes "lack potable drinking water and safe wastewater disposal."

"Sen. Murkowski plans to ask the administrator of the Environmental Protection Agency and the secretary of agriculture some hard questions about how these cuts can be justified," spokeswoman Kristin Pugh said. Murkowski sits on two committees with jurisdiction over those programs, Environment & Public Works and Indian Affairs.

With cuts or elimination of many popular programs, some in Congress have predicted that the Bush budget was "dead on arrival." Bolten, the director of the Office of Management and Budget, told reporters the same was said last year, "and the president actually got the overall budget he was asking for."

"It's part of political theater to declare DOA at this moment," Bolten said.

Some among Alaska's growing veteran population, courted by both candidates in the last Senate election, would face substantial increases in the cost of using the government's health system. The New York Times reported Monday that the budget proposes to increase the co-payment for prescription medicine from \$7 to \$15 and charge vets, except those with service disabilities, a new annual \$250 "user fee" to use government facilities.

Alaskans, so dependent on air travel, would also be pinched by an increase in the national "user fee" to fly. The current \$2.50 a segment or \$5 maximum per one-way ticket would rise to \$5.50 a segment or \$8 maximum. The fee is a tax to cover aviation security.

But contained in the budget is an apparent agreement among congressional leaders on surface transportation. Bolten said the deal will result in a six-year, \$283.9 billion program. A spokesman for Rep. Don Young, R-Alaska, the chairman of the House Transportation Committee, said a bipartisan bill with that price tag will be introduced this week.

Two weeks ago, Young said he wanted the spending to take place over only five years. Committee spokesman Steven Hansen said the Senate may still come back with a five-year bill.

"Most importantly, it appears the administration is officially supportive of the numbers we had last year," Hansen said.

With the printed budget and supporting documents covering 2,476 pages, plus additional electronic documentation, Alaska's congressional delegation and state officials here said they needed more time to review the material before offering more extensive comments.

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